

CHAPTER 3

MANPOWER AND EXPENSE ASSIGNMENT

A. PURPOSE

This chapter presents the methodology for collecting manpower, expense, and workload data and compiling it into meaningful management reports. It provides information requirements for the preparation of the Medical Expense and Performance Report (MEPR); and describes the basic manpower and expense reports available from the report generating process, that generates other facility or service management reports.

B. ASSIGNMENT METHODOLOGY

Stepdown Expense Assignment is the accounting methodology used to determine final operating costs. This method of cost distribution uses direct expenses, manpower data, and workload data to determine the final operating cost for a particular work center. The final operating cost (average cost per output) should be compared with previous processing periods to determine unexpected trends. Cost variances should be investigated and documented. Corrective action should be taken as necessary.

1. STEP ONE: Manpower Data Collection and Processing

a. General Manpower Procedures

(1) Accurate and timely manpower data collection and processing are essential to development and/or evaluation of manpower staffing standards, analysis of productivity, and resource decisions. Therefore, work center personnel, supervisors, and managers must understand and comply with the rules and principles of collecting and reporting work hour utilization data contained in this Manual.

(2) Work center personnel shall ensure that work hours contributing to the overall operation and function of their assigned work center are recorded. It is imperative that all work hours contributing to the assigned work center be accurately recorded. This includes both available and nonavailable time. (See glossary at Appendix A for definitions). Nonavailable time will only be reported for personnel assigned or attached to the work center. Possible sources of available time are assigned or attached (to include students), detailed, borrowed, contracted, or volunteer personnel.

(3) Available and nonavailable time shall be collected by personnel categories (officer, enlisted, civilian, contract and other) and skill types (1P, 1D, 1N, 1R, 1F and 2-5), as listed below in 1(a)4(a). Personnel data shall also be collected by rank/grade to support cost distribution.

(4) Manpower Utilization. The man-hour utilization data shall be converted to full-time equivalents (FTEs) in MEPRS. Each work center shall report its manpower utilization data by personnel category and skill type and by Assigned FTEs, Available FTEs, and/or Nonavailable FTEs in MEPRS. (The different skill types and FTEs are defined below.) The total personnel utilized by a work center is the summation of the available FTEs for the five personnel categories.

(a) Personnel Categories.

1 Clinicians. Physicians and dentists (including interns, residents, and fellows).

2 Direct Care Professionals. Individuals other than clinicians, licensed or certified to deliver healthcare. They consult with other healthcare professionals to assess, plan, and/or implement an effective treatment program (i.e., physical and occupational therapists, podiatrists, psychologists, social workers, physician assistants, and advanced practice nurses who are privileged providers) .

3 Registered Nurses. All registered nurses except those who are being utilized as advanced nurses such as practitioners, nurse anesthetists, and nurse midwives who are accounted for in the direct care professionals category. Licensed Practical nurses and vocational nurses are classified as direct-care paraprofessionals, not registered nurses.

4 Direct Care Paraprofessionals. Individuals, who are skilled to provide technical assistance or follow-up to direct patient care (i.e., LPNs, vocational nurses, medical specialists, medical technicians, x-ray specialists, dental lab specialists, and dental hygienists) .

5 Administrative and/or Clerical and/or Logistics. All other personnel utilized at the facility but not involved in direct care (to include veterinarians).

(b) FTEs

1 Assigned FTEs. NOTE: The difference is the reference to work days.

a Civilian. Calculated by dividing the number of work days assigned by the number of work days in the month for those individuals counted as part of the MTF assigned strength.

b Military. Calculated by dividing the number of days assigned by the number of days in the month for those individuals counted as part of the MTF assigned strength,

2 Available FTEs. Calculated by dividing the total number of available hours by 168. Appendix F provides guidelines for differentiating between available and nonavailable hours.

3 Nonavailable FTEs. Calculated by dividing the total number of nonavailable hours (see Appendix F) by 168. Each category (sick, leave, and other) should be computed separately.

b. Specific Procedures.

(1) The following general manpower procedures should be used in the manpower data collection stage of this step.

(a) Borrowed and/or loaned work hours within one reporting facility in support of the healthcare mission will be charged to the benefiting work center. Work centers loaning personnel can implement a quality control check to ensure the loaning hours are reported as available time only by the borrowing work center.

(b) In those facilities in which work centers represent a combination of accounts, work hours shall be distributed among the accounts

based on a ratio of common performance factors. For example, on a ward with 40 medical and 10 surgical bed days, 80 percent of the work hours are charged to medical accounts and 20 percent to surgical accounts. In combined work centers where there are two different performance factors, a percentage of time can be used to distribute the work hours. For example, personnel working 70 percent of their time in Central Sterile Supply (performance factor of hours of service) and 30 percent of their time in Central Materiel Service (performance factor of cost of supplies and minor plant equipment) will record DEAA with 70% and DEBA with 30% on the Stepdown Assignment Statistic (SAS).

(c) Contract personnel work hours shall be credited to the work center in which they provide service. If actual work hours cannot be determined, an estimate should be made. This provision applies to all contract personnel; e.g., providers, linen and laundry, housekeeping, etc. Estimates can be made by acquiring the number of people on the contract and average number of hours worked per month.

(d) Reservist work hours are recorded under the appropriate work center accounts.

(e) Hours worked by other personnel, regardless of the source, are recorded under the appropriate work center accounts. (See glossary at Appendix A for definition of other personnel.)

c. After the manpower data is collected, it must be processed to determine the number of FTEs to be charged to each work center and the distribution of personnel expenses. The specific procedures for processing the manpower data are divided into two phases.

(1) Determination of FTEs to be charged to each work center account.

(a) For the purpose of recording manpower, the following personnel are excluded:

1 Inpatients, except those assigned for duty with the MTF. For example, the Chief, Personnel Division, is in the hospital; you would not reduce your assigned strength because he/she is an inPatient).

2 Federal civilian personnel and direct and indirect hire foreign national employees in an unpaid absence status.

3 Civilian employees paid from nonappropriated funds (NAF). However, NAF personnel utilized by Veterinary Activities are included.

(2) Determination of salary expenses to be charged to each account.

(a) A civilian's monthly personnel expense shall be the actual salary provided by a civilian payroll system. If the actual salary cannot be obtained, the civilian personnel expense shall be that amount of funds obligated due to the employment of that employee during that month. This would include basic salary, incentive and hazard pay, Government contribution to benefits, overtime, termination payments, etc. Air Force facilities use the DoD Civilian Composite Pay Scale (not actual).

(b) A military member's monthly personnel expense shall be that amount prescribed in the DoD Annual Composite Standard Rates Table for that military member's grade and Military Department.

(c) Variances between actual military pay and personnel expense computed from the DoD Annual Composite Standard Rates Tables shall be ignored for the cost reporting.

(d) Other Personnel hours are excluded from salary expense determination.

(e) Contract personnel hours are excluded from salary expense determination, since these costs are included in the total contract costs .

2. STEP TWO: Expense Assignment System (EAS)

Expense Assignment System (EAS) is the vehicle used to perform the allocation process. EAS produces Medical Expenses Performance Reports by integrating financial, manpower, and workload data. The end result of this integration is a total cost and average cost per output for each work center.

3. STEP THREE: Stepdown

Stepdown is the process of reassigning or allocation of expenses from ancillary and support accounts (D and E MEPRS Codes) to the benefiting work centers. Stepdown has several components essential for the correct allocation of expenses. They are: Account Subset Definition, Performance Factors (Workload), and Expenses.

a. Account Subset Definition. The most important component of the stepdown process is the Account Subset Definition (ASD) . The ASD is the road map to the stepdown. It contains a list of MEPRS accounts, the associated Stepdown Assigned Statistic (SAS)/STAT-ID, and Assignment Sequence Number (each is explained below). An MTF may not use a MEPRS code unless it is contained on the ASD.

(1) MEPRS Accounts. Each work center is identified with a separate MEPRS code. The first letter of the MEPRS code identifies the type of service being provided, as shown below. This letter is also important in stepdown. Expenses from all D and E accounts will be stepped down to final accounts A, B, C, F, and G, as appropriate.

- A - Inpatient Care
- B - Outpatient Care
- C - Dental Care
- D - Ancillary Services
- E - Support Services
- F - Special Programs
- G - Readiness

(2) Stepdown Assigned Statistic (SAS)/STAT-ID. All D, E, and Cost Pool accounts must have a corresponding SAS/STAT-ID, which is a three digit number that contains the workload for this account. The accounts and workload listed on the SAS is a record of users and how much workload was performed.

(3) Assignment Sequence Number (ASN) . The ASN is the order in which accounts are stepped down. Stepdown starts with the lowest ASN first. The lowest ASN is the account supporting the most areas in the hospital. Higher ASNs provide support to fewer areas in the hospital. Since Ancillaries (D accounts) provide no service to Support accounts (E accounts), they will have higher ASNs and be stepped down after the Support accounts (e.g., Pharmacy (DAAA) provides no service to Command and Admin (EBAA); Command and Admin, however, does support the Pharmacy; therefore, a portion of Command and

Admin's expense should be distributed to the Pharmacy) . As each account is stepped down, it is closed; in other words, stepdown will no longer charge expenses to a closed account.

b. Performance Factors (Workload). Performance Factors are workload data used to redistribute expenses during stepdown. Each Ancillary (D) , Support (E), and Cost Pool must have reported workload (performance factors) . Performance Factors are reported in the STAT-ID referenced on the ASD for the account. During stepdown, a ratio is performed to determine the percent of workload for each account. The same percent is used to determine the amount of money that each account will receive from the distributing account: Closed accounts are' not used in determining the ratio.

c. Expenses. Expenses for each work center are reported on the Direct Expense Schedule (DES). Common expenses for a work center could be supplies, a new piece of software, or salary expense that includes free receipts. Expenses are merged into EAS from other financial systems and should be validated with official resource documentation and/or resource and/or budget personnel. For ancillary, support, and cost pool work centers, the expenses will be redistributed to users of the account during stepdown.

d. Example. To further clarify the stepdown process, examine the data and follow the example below:

(1) Data. Pharmacy Workload by Account as indicated by Service specific SAS. The data below represents the Pharmacy's (DAAA) workload and their expenses.

AAAA	50
BAAA	25
BGAA	25
TOTAL	100

DES

DAAA	26.20	87700	OPMA	D	\$100	\$100
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(2) Stepdown. As mentioned earlier, stepdown is performed in Assignment Sequence Number order. The Pharmacy account cannot receive money during stepdown until the process reaches the Pharmacy Assignment Sequence Number. The money it receives will be added to the money contained on the DES to determine the total expense for Pharmacy. In this example, we will assume Pharmacy received \$100 from other accounts. The \$100 received plus \$100 from the DES brings the total expense to \$200.

(3) Workload Ratio. The first step in distributing the Pharmacy's total expenses is to determine the ratio of workload performed. In the example, 50 percent of the workload was done for AAXA and 25 percent was done for BAAA and BGAA. These same percentages are used to determine what amount of expense should be given to AAXA, BAAA, and BGAA. The Stepdown Matrix will display the data used to determine ratios. The Stepdown Schedule will show the dollars distributed.

STEPDOWN MATRIX (Workload)	
	DAAA
AAXA	50
BAAA	25
BGAA	25

STEPDOWN SCHEDULE (Dollars)	
	DAAA
AAXA	100
BAAA	50
BGAA	50

(4) Result. Notice that AAXA had 50 percent of the workload and received 50 percent of the total expenses. BAAA and BGAA each had 25

percent of the workload and received 25 percent of the total expense. This same process is followed for each D and E account on the ASD.

4. STEP FOUR: Purification

Purification is the redistribution of total expenses (direct expense plus any stepdown expense) associated with a cost pool (see glossary, Appendix A) MEPRS code. Cost pools are purified in alphabetical order. Each cost pool must have an assigned SAS referenced on the Account Subset Definition, Performance Factors (Workload), and Expenses. A ratio for distribution of the expenses is determined based on the value associated with each MEPRS code listed on the cost pool SAS. Also, refer to Service specific guidance on cost pools.

5. STEP FIVE: Reports

a. Quality Control. The perform QC function validates and performs audits of reasonableness on EAS input data.

(1) Status of Processing

(2) Input Error Summary. The Input Error Summary Report lists the fatal errors and warnings found during the validation function. The warning errors need to be verified but not corrected. The fatal errors need to be corrected before validation can be completed. No calculations are performed for this report.

(3) Obligation Summary. Financial obligation data obtained from the Financial Merges is displayed on this report. This report includes MEPRS code, SEEC, PEC, APPROP, Reimbursable Indicator, and Month. Each MEPRS code is subtotaled; each Functional Category is subtotaled; followed by a facility total. This report should be coordinated with the budget officer for verification.

(4) Page Displays. Page displays provide a detailed listing of input data. The following reports will be created during computation: SAS, DES, FTEs By Skill Type, and Raw Procedures Detail. The time period used in computation will determine the content of page displays.

(5) Quality Control Report. The Quality Control report lists the warning errors found during the QC function.

b. Computation Status and Error. Once validation has no fatal errors, the system will start computation. Any errors found during computation will then be displayed on the computation error report (e.g. , computation out of balance) . This report must be checked after each computation to obtain errors. The report will list errors occurring in Pre-Stepdown Purification, Stepdown, Purification, and FTE Purification in separate areas of the report. The entire report should be covered to ensure errors are not overlooked.

c. DoD Data Reports. The View and/or Print DoD Data function allows the MEPRS Coordinator to view and/or print the DoD Monthly Financial File, Direct Expense and/or Obligation Summary File, and FTEs by Occupation Code. The DoD MEPR File I must be created, then may be viewed and/or printed, The DoD MEPR File II can only be printed. For further information on these reports, refer to the Current EAS user's manual.

(1) DoD Monthly Financial File. This report contains summarized pre-stepdown expenses and obligation amounts by Functional Category, PEC, SEEC, Reimbursable Indicator, and Approp Category. The report

is useful in determining total obligations or expenses for a particular PEC or SEEC .

(2) MEPR File I. This report contains stepdown and purification expenses at the MEPRS code, SEEC, and PEC detail level.

(3) MEPR File II. This file contains performance factors and FTE information by MEPRS code. -

(4) Direct Expense and/or Obligation Summary File. This report contains expenses and obligation amounts along with primary and some secondary performance factor information by MEPRS code, SEEC, PEC, APPROP, and Reimbursable Indicator. The report is useful to see expenses for codes that normally would be assigned to a cost pool.

(5) FTEs by Occupational Code. This report shows assigned, available, and nonavailable FTEs for a specified account. The report allows selection of MEPRS code, Fiscal Year, and Month. The report displays STAT-ID, Occupation Code, Civilian Job Series, and Skill Type. The report is useful when evaluating one work center for a particular month.

d. View and/or Print Summary Reports. This function allows the MEPRS Coordinator to view and/or print the Computation Summary Report, Detailed MEPR I, Detailed MEPR II, and Direct Expense Summary, and create, view, and/or print the Satellite Summary Reports. For more information about these reports, refer to the current EAS user's manual-

(1) Computation Summary. This report is a summary of Stepdown by MEPRS codes at each level. The report lists direct expenses plus expenses received from Support (E) accounts, Ancillary (D) accounts, and Purification (cost Pools). The total expense after stepdown is the sum of Direct, Support, Ancillary, and Purification (cost pool) expenses.

(2) Detailed MEPR I. This report lists total expenses, clinician salaries, performance factors, and cost per performance factor by MEPRS code. This report is useful when compiling management reports.

(3) Detailed MEPR II. This report displays assigned, available, and nonavailable FTE information by MEPRS code.

(4) Direct Expense Summary. This report displays the DES by schedule type and MEPRS codes. Expenses are shown for financial, personnel, manual, and total.

(5) Satellite Clinic Reports. This option will allow the MEPRS coordinator to create, view, and print the Satellite Computation Summary, Satellite Detailed MEPR I, and Satellite Detailed MEPR II. Only satellite clinic data will be displayed on the report.

(6) MEPRS Summary Report. This report displays each component of a work center; i.e., workload expense and FTEs. This provides a snapshot of any activity in this account during stepdown and purification.

e. Stepdown Reports

(1) Stepdown Schedule (Print Only). This report shows the distribution of money during stepdown. Distributing codes are listed across the top, and receiving codes in the left most column. Since the Stepdown schedule is large, it is sometimes hard to follow; e.g., one code's distribution may be shown on several different pages. This report is used to determine the expense given or received between stepdown codes.

(2) Stepdown Statistics (Print Only) . This report lists the workload used to determine stepdown ratios. Distributing codes and their associated SAS is listed at the top of each column and the receiving code in the left most column. Workload for each account can be obtained from the report. Like the Stepdown Schedule, the Stepdown Statistics is hard to follow as accounts may be listed on several pages.

(3) View and/or Print Stepdown Report. This report displays the same information as the Stepdown Schedule however you request the code to be displayed. The report will only display one code at a time and can be sorted by receiving or contributing MEPRS code. The report is a time saver when compared to looking through the Stepdown Schedule.

f. Purification Reports

(1) Final Purification Schedule (Print Only). Similar to the Stepdown Schedule this report lists expenses distributed in Cost Pool purification. The report is useful in determining the amount of expense received or distributed from cost pools.

(2) Purification Statistics (Print Only). Like the Stepdown Statistics, this report lists the workload used in purification.

(3) FTE Purification. This report lists the FTEs purified from cost pools. This report is useful in determining FTEs received from cost pools .

(4) View and/or Print Purification Report. This report displays expenses distributed during stepdown. The report allows the user to select the code to be viewed, and select contributing or receiving sorts. This report is useful when looking at one specific work center.

(5) Detailed FTE Purification Report 1. This report shows FTE purification, sorted by contributing MEPRS code. The report will show skill type, receiving MEPRS code, and FTEs contributed. This report is useful when looking at specific skill types.

(6) Detailed FTE Purification Report 2. Like the Detailed FTE Purification Report 1, this report displays FTE purification by skill type. This report is, however, sorted by Receiving MEPRS code. The report list skill type, original FTEs, contributing MEPRS code, FTEs received, and total FTEs . The report is useful in determining original FTEs and the FTEs received from cost pools.

g. MEPRS Code Occurrence Report. The View and/or Print MEPRS Code Occurrence Report function lists the data files that contain the MEPRS codes selected for the requested fiscal month and year. The following data files are included: SAS, DES, and Personnel DES by skill type and FTE. No calculations are performed for this report. An extremely useful tool used to capture each occurrence of a MEPRS code in the data.

h. View and/or Print Pre-Stepdown Expense and/or Performance. This report allows the Pre-stepdown Expense Performance (PEP) File to be viewed and/or printed for any selected month. The file is processed during computation and contains pre-stepdown expenses and cost per DRG calculated information by second-level MEPRS code, PEC, and SEEC category.

i. Post Processing Change Report. The Post Processing Change Report contains the input transactions made during the current processing month to SAS, Financial DES, Manual DES, personnel Obligations, Personnel DES

by Skill Type, FTEs by Occupation Code, Pathology Raw Procedures, Radiology Raw Procedures, Other Raw Procedures, and Respiratory Raw Procedures. The report lists the user, Date & Time, Type transaction (Add, Delete, or Change) , Fiscal Year, Month, MEPRS Code, Procedure Code, Location ID, Requesting Work Center, Number of Procedures, Weight, and Contract and/or Non-contract. The report is useful in determining post processing changes.

j. DRG Cost Report. The DRG Costing Menu allows the MEPRS coordinator to generate quarterly cumulative local DRG rates based on actual costs . DRG data can be used for make versus buy analysis, and comparisons against Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) costs.

TABLE 3-1

ALIGNMENT OF INTERMEDIATE OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT</u>	<u>MEPRS CODE</u>
1. Depreciation of Equipment	
a. Inpatient Depreciation	EAA
b. Ambulatory Depreciation	EAB
c. Dental Depreciation	EAC
d. Special Programs Depreciation	EAD
e. Readiness Depreciation	EAE
2. Command, Management, and Administration	
a. Command	EBA
b. Special Staff	EBB
c. Administration	EBC
d. Clinical Management	EBD
e. GME Support	EBE
f. Education and Training Program Support	EBF
g. Peacetime Disaster Preparedness	EBG
h. TPC Administration	EBH
3. Support Services - Nonreimbursable (NR) or Free Receipts ¹	
a. Plant Management - NR	ECA
b. Operations of Utilities - NR	ECB
c. Maintenance of Real Property - NR	ECC ,
d. Minor Construction - NR	ECD
e. Other Engineering Support - NR	ECE
f. Leases of Real Property - NR	ECF
g. Transportation - NR	ECG
h. Fire Protection - NR	ECH

<u>ACCOUNT</u>	<u>MEPRS CODE</u>
i. Police Protection - NR	EC I
j. Communications - NR	ECJ
k. Other Base Support Services - NR	ECK
4. Support Services - Funded and/or Reimbursable	
a. Plant Management - Funded	EDA
b. Operations of Utilities - Funded	EDB
c. Maintenance of Real Property - Funded	EDC
d. Minor Construction - Funded	EDD
e. Other Engineering Support - Funded	EDE
f. Leases of Real Property - Funded	EDF
g. Transportation - Funded	EDG
h. Fire Protection - Funded	EDH
i. Police Protection - Funded	EDI
j. Communications - Funded	EDJ
k. Other Base Support Services - Funded	EDK
5. Materiel Management Services	
a. All Operating Expenses Except Equipment Maintained by Contract or Provided by the Installation	EEA
b. Equipment Maintenance Provided by Contract or the Installation	EEA
6. Housekeeping	
a. Housekeeping - In House	EFA
b. Housekeeping - Contract	EFB
7. Biomedical Equipment Repair ¹	
a. Biomedical Equipment Repair - In House: Personnel, Bench Stock, and Shop Equipment Costs	EGA
b. Biomedical Equipment Repair - Medical Equipment Maintenance Contract	EGB

ACCOUNTMEPRS CODE

8.	Laundry Service ¹	
a.	Laundry Service - In House	EHA
b.	Laundry Service - Contract	EHB
9.	Nutrition Management	
a.	Combined Food Operations	EIB
b.	Patient Food Operations	EIA
c.	Inpatient Clinical Nutrition Management	EIC
10.	Inpatient Care Administration	EJA
11.	Ambulatory Care Administration	EKA
12.	TRICARE and/or Managed Care Administration	ELA
13.	Central Sterile Supply and/or Materiel Service	
a.	Central Sterile Supply	DEA
b.	Central Materiel Service	DEB
14.	Pharmacy	DAA
15.	Pathology	
a.	Clinical Pathology	DBA
b.	Anatomical Pathology	DBB
c.	Blood Bank	DBC
16.	Radiology	
a.	Diagnostic	DCA
b.	Therapeutic	DCB
17.	Special Procedures Services	
a.	EKG	DDA
b.	EEG	DDB
c.	EMG	DDC
d.	Pulmonary Function	DDD
e.	Cardiac Catheterization	DDE

ACCOUNT

MEPRS CODE

18.	Surgical Services	
a.	Anesthesiology	DFA
b.	Surgical Suite	DFB
c.	Post Anesthesia Care Unit	DFC
19.	Same-Day Services	
a.	Same-Day Surgery or Ambulatory Procedure Visit	DGA
b.	Hemodialysis	DGB
c.	Hyperbaric Medicine	DGC
d.	Peritoneal Dialysis	DGD
20.	Intensive Care	
a.	Medical ICU	DJA
b.	Surgical ICU	DJB
c.	Coronary Care Unit	DJc
d.	Neonatal ICU	DJD
e.	Pediatric ICU	DJE
21.	Respiratory and/or Inhalation Therapy	DHA
22.	Nuclear Medicine	DIA

¹ NOTE: These accounts shall be moved between the Depreciation and Command, Management, and Administration accounts when the services are provided by contract or by an installation support service (other than one manned by the MTF). If more than one account is moved, the relocated accounts must keep their relative alignment. In those instances when housekeeping is provided by both an in-house work force and by contract to the same reporting MTF, the subaccount expense for housekeeping contract shall be moved up in the alignment as provided for above. However, no portion of the contract expense shall be allocated to the in-house housekeeping account.

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